No. 93-1186

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In The

# Supreme Court of the United States

October Term, 1993

MANILDRA MILLING CORPORATION,

*Petitioner/Cross-Respondent,*

and JOHN THOMAS HONAN,

*Cross-Respondent.*

v.

OMI HOLDINGS, INC.,

*Respondent/Cross-Petitioner.*

**On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit**

## CROSS-PETITIONER'S REPLY BRIEF

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## RULE 29.1 LIST OF PARENT COMPANIES

OMI Holdings, Inc. is a wholly-owned subsidiary of a wholly-owned subsidiary of John Labatt, Inc. OMI Holdings, Inc. has no subsidiaries.

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## ARGUMENT

### I. THE FEDERAL CIRCUIT'S STANDARD OF PROOF WOULD DESTROY THE PRESUMPTION OF AGENCY EXPERTISE.

OMI has asserted throughout this litigation that the law places a special, heightened burden of proof on a party challenging the validity of a patent where the Patent and Trademark Office ("PTO") reviewed the same pertinent prior art presented to the court or jury. That higher burden was not applied by the Federal Circuit, and, as a matter of law, it was not met by Manildra's evidence.

#### A. The PTO's Expertise Is Given Heightened Protection in Civil Actions Equivalent to Administrative Review.

Manildra has correctly stated the burden of proof imposed on the challenger in most claims of patent invalidity: the patent is presumed valid, and the challenger must present clear and convincing evidence of invalidity to overcome that presumption. *Radio Corp. of America v. Radio Engineering Laboratories, Inc.*, 293 U.S. 1 (1934). However, that less stringent standard does not apply in cases like this one. Moreover, even the less stringent standard was not applied in this case, and the jury's verdict was upheld based on mere "substantial evidence."

Since the challenger is usually not a party to proceedings before the PTO which led to the issuance of the patent, the challenger often uncovers and presents prior art which was not considered by the PTO. The challenger usually presents this additional prior art in support of a claim that the patent is invalid due either to anticipation (35 U.S.C. § 102) or to obviousness (35 U.S.C. § 103). In those circumstances, where the record presented to a judicial factfinder contains more pertinent evidence than the record presented to the federal agency, deference to the agency's expertise is tempered because the agency's

determination was based on a review of less than all of the pertinent material. The "clear and convincing evidence" standard is the formula that has developed to express this limited deference. *Radio Corp., supra.* The Court has held that to be clear and convincing, the evidence must "place in the ultimate factfinders an abiding conviction that the truth of [the] factual contentions are 'highly probable.' " *Colorado v. New Mexico*, 467 U.S. 310, 316 (1984).

Where the factfinder in a civil action reviews the very same pertinent prior art that the PTO reviewed, however, it is plain that a greater level of deference to the PTO must be applied. The Federal Circuit has recognized this on various occasions by holding that a higher burden of proof applies to the challenger in these cases. However, the Federal Circuit has never articulated a clear, concise guideline that lower courts could follow. *See Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1467 (Fed. Cir. 1990) (challenger's burden in this type of case is "especially difficult"); *American Hoist & Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359 (Fed. Cir.), *cert. denied*, 469 U.S. 821 (1984) (challenger has an "added burden"); *Central Soya Co. v. Geo. A. Hormel & Co.*, 723 F.2d 1573, 1577 (Fed. Cir. 1983) (challenger's burden is "most formidable").

It is little wonder that, as a result, the district courts have used a wide range of confusing and conflicting verbalizations of the law in cases like this one. *Compare AMP, Inc. v. Lantrans, Inc.*, 19 U.S.P.Q.2d 1929, 1933 (C.D. Cal. 1991) (where challenger's prior art was reviewed by PTO, burden is "particularly strong"); *and Ortho Pharmaceutical Corp. v. Smith*, 15 U.S.P.Q.2d 1856, 1861 (E.D. Pa. 1990) (attacker's burden is "more difficult" when prior art presented is same as or "no better than" that reviewed by PTO); *with Medical Designs, Inc. v. Medical Technology, Inc.*, 786 F.Supp. 614, 618 (N.D. Tex. 1992) (burden of proof does not change when attacker presents prior art not considered by PTO); and *Gillette Co. v. S.C. Johnson & Son, Inc.*, 12 U.S.P.Q. 2d 1929, 1943 (D. Mass.

1989), *aff'd*, 919 F.2d 720 (Fed. Cir. 1990) (burden is only "clear and convincing" whether PTO reviewed prior art or not).

The Federal Circuit not only failed to take advantage of the opportunity to more clearly articulate the heightened burden of proof that applies to cases of this type, it failed even to apply the less-demanding "clear and convincing evidence" burden. Manildra falsely asserts that OMI "does not deny" that the clear and convincing evidence standard was applied by the Federal Circuit. Cross-Respondent's Brief in Opposition at 3. To the contrary, OMI's Cross-Petition asserts that the Federal Circuit applied *neither* that usual standard nor the heightened standard. OMI's Cross-Petition for Writ of Certiorari at 9. Instead, it applied the simple "substantial evidence" standard, which it defined as "more than a 'mere scintilla,' " Man. App. at 6a. In so doing, the Federal Circuit improperly let stand the jury's verdict that patents issued by the PTO were invalid, completely disregarding the concept of deference to the PTO's decisions. This violated the Court's holding in *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242 (1986), which requires a court ruling on a JMOL to incorporate the correct burden of proof in its analysis.

The Court should grant a Writ of Certiorari to OMI, not only to reverse the incorrect result in this case, but also to supply the clear standard that consistent enforcement of the patent laws requires. OMI's Cross-Petition demonstrates that the best source for that clarity is the statute in which Congress established judicial review standards for federal agency actions, the Administrative Procedure Act ("APA"), 5 U.S.C. § 706(2)(A). Under that "arbitrary and capricious" standard, agency action must be upheld if there is a rational connection between the record reviewed and the choice the agency made. *Motor Vehicle Mfrs. Ass'n, Inc. v. State Farm Mut. Auto. Ins. Co.*, 463 U.S. 29, 42-43 (1983). A civil action in the circumstances presented here is so closely analogous to administrative review that the Congressional scheme would be thwarted if the standards of proof governing the two

were as widely diverging as the Federal Circuit has permitted them to be in this action.

The precedent cited by Manildra, *Graham v. John Deere Co.*, 383 U.S. 1 (1966), demonstrates the validity of conforming civil-action standards to administrative-review standards where the two are functional equivalents. According to *Graham*, the courts have a duty to enforce the policy selected by Congress "by appropriate application, in each case, of the statutory scheme of Congress." *Id.* at 6. After elaborating on the requirements of obviousness under 35 U.S.C. § 103, *Graham* held that both the PTO and the courts must follow those requirements, because: "This would, we believe, not only expedite disposition but *bring about a closer concurrence between administrative and judicial precedent.*" *Id.* at 18-19 (emphasis added, footnotes omitted).

*Graham*'s goal of achieving a close concurrence between administrative and judicial precedent in the patent field would not be served by permitting the burden of proof for administrative review of PTO decisions other than patent validity to be the APA's "arbitrary and capricious" burden while at the same time permitting juries to overturn the PTO's patent validity decisions, on the same record, by applying something less than that same arbitrary and capricious burden. The Court should grant certiorari to make the two standards congruent.

### B. OMI Has Consistently Asserted that the Heightened Standard Applies.

Manildra claims that the Court should not consider the issue of the appropriate burden of proof because the APA was not mentioned in OMI's briefs in the lower courts. OMI asserted, however, in each of those briefs that the courts should apply the heightened standard of review in this case, because the jury reviewed the same pertinent prior art that the PTO reviewed. Excerpts from OMI's post-trial and appellate briefs addressing this issue

are collected in the Appendix to this Reply Brief ("Appendix") at 8a-10a.

OMI's Cross-Petition does not contend, and OMI has never contended, that this case is an administrative review proceeding filed under the APA. OMI has always acknowledged that this case is a private action for a declaration of whether two patents are valid, filed under 28 U.S.C. §§ 1338 and 2201. However, OMI does contend, as it has from the beginning, that the jury should have been instructed to apply a more strict burden of proof because greater deference is due to the PTO where the Examiner reviewed the pertinent art. The Cross-Petition identifies a number of sources from which the Court could draw the particular wording for that burden, including the Court's own precedent, Federal Circuit precedents, and the expression of Congressional intent in the APA. By relying on these sources, OMI has not raised a new argument; it has presented additional support for an argument raised previously. *Canton v. Harris*, 489 U.S. 378, 384 (1989) (certiorari properly granted because "at each stage in the proceedings below, petitioner contested any finding of liability on this [allegedly newly articulated] ground").

### C. All of the Pertinent Prior Art Was Considered by the PTO.

Manildra contends that the jury was offered pertinent prior art not reviewed by the PTO, quoting from the trial court's Memorandum Opinion and Order. Appendix to Manildra's Petition for Certiorari ("Man. App.") at 44a. The sentence quoted, however, is *not* from the district court's discussion of the content of the prior art. It is instead from the district court's discussion of one of the secondary considerations of obviousness – whether others failed where the patentee succeeded. The quoted sentence refers to evidence that a competitor of the inventors, Midwest Grains, fractionated wheat starch within a short time after being asked to do so, which could tend to

show that this secondary factor of "failure of others" would not favor OMI.

The district court did not indicate, however, that Midwest Grains' effort was "prior art" predating the inventions described in the Patents. In fact, the Midwest Grains product was not reduced to practice before the Patents' invention was, because Midwest Grains used only a single pass through a hydrocyclone, not multiple passes as described in the Patents, and did not produce an acceptable large-granule wheat starch matching the invention until nine months *after* the inventors' employer had begun shipping production quantities of the starch invention to carbonless copy paper makers. Appendix at 1a-4a.

The only additional material not before the PTO referred to by Manildra and the district court is Dr. Yamazaki's second article, which could apply at most only to four claims of one of the Patents, not to the seven other independent claims in issue and their dependent claims. As discussed in OMI's Cross-Petition, Manildra's expert testified that this second article described the same experiment that Dr. Yamazaki's first article had described, and the first article was reviewed by the PTO. Only if the second article were *more pertinent* than the first should the jury have applied the less-deferential "clear and convincing evidence" burden. *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553 (Fed. Cir. 1983), *cert. denied*, 469 U.S. 851 (1984) (additional prior art must be "*more pertinent*" than that reviewed by PTO, to prevent "the insidious attraction of the siren hindsight") (emphasis in original); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 894 (Fed. Cir.), *cert. denied*, 469 U.S. 857 (1984).

The relative pertinence of the second Yamazaki article was, therefore, necessarily a question of law for the district court, reviewable *de novo*. However, neither the district court nor the Federal Circuit expressed a conclusion that the second Yamazaki article was *more* pertinent or relevant than the first. Man. App. at 6a-8a, 38a-39a.

The admissions by Manildra's expert John Howell that the two articles covered substantially the same subject and that the second article was incomplete and nonenabling, Appendix to Cross-Petition for Writ of Certiorari ("Cross-Pet. App.) at 4a-5a, prevented such a ruling. By incorrectly deciding this question of law, the lower courts upheld a jury verdict which improperly second-guessed the PTO based on the same pertinent prior art.

The Court should grant a Writ of Certiorari in order to provide the lower federal courts a clear and appropriate burden of proof to guide civil-suit factfinders when they review a patent's validity based on the same pertinent prior art that the PTO reviewed. That standard should incorporate the additional deference due the PTO in those situations, by requiring more than simply clear and convincing evidence. OMI believes this definition is best formulated in the APA, which protects an agency's decision on a combined fact-law question from reversal unless it is arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. Since the Federal Circuit did not apply this burden or an equivalent, and in fact did not even apply the "clear and convincing" burden, certiorari is necessary to achieve this goal.

## II. THE EVIDENCE OF INFRINGEMENT WAS UNCONTESTED.

Manildra claims that the uncontested evidence of its literal infringement of the Patents is nullified by either (A) the presence of the air classification step in its wheat starch production process, or (B) the fact that its infringement was infrequent. Neither is sufficient under the law to excuse literal infringement.

### A. Manildra's Process Comprised All Steps of the Patented Process.

The interpretation of the meaning of patent claims is an issue of law. *Whittaker Corp. v. UNR Industries, Inc.*, 911 F.2d 709, 711 (Fed. Cir. 1990). To justify the jury's verdict

of noninfringement, however, Manildra offers the Court an interpretation of the patent claims that is contrary to law and that was not applied by the district court or Federal Circuit.

The Patents describe a process for producing LGWS which "comprises" several steps, including the classification of wheat starch particles by passing them in wet slurry form through multiple stages of hydrocyclones. Cross-Pet. App. at 8a. The word "comprises" is a patent-law term of art, meaning including but not limited to. *Stiftung v. Renishaw PLC*, 945 F.2d 1173, 1178 (Fed. Cir. 1991). An accused process literally infringes, therefore, if it includes all steps listed in a patent claim describing a process "comprising" certain steps, even if the accused process includes other steps not listed in the patent claim. *Stiftung, supra*; *Amstar Corp. v. Envirotech Corp*, 730 F.2d 1476, 1482 (Fed. Cir.), *cert. denied*, 469 U.S. 924 (1984).

Here, Manildra's process admittedly "comprised" or included all of the patented steps, including the separation of large-granule wheat starch from ordinary wheat starch by feeding a wheat starch slurry through multiple stages of hydrocyclones. Cross-Pet App. at 1a, 7a. Manildra's air classifier device was used only *after* this wet separation had produced the patented invention and the starch had been dried. Appendix at 1a. Manildra's own data showed that this device performed little if any classification and instead damaged the starch. Appendix at 4a-6a. If the accused process includes every step listed in a "comprising" patent claim, adding another step which refines or modifies the process does not render it noninfringing, as a matter of law. *Stiftung, supra*; *Amstar, supra*. Adding the air classifier, then, simply could not affect the fact that Manildra's process comprised all of the patented process steps.

The quotations in Manildra's responding brief from the lower courts' decisions do not relate to OMI's claims of literal patent infringement. They are instead the district court's and Federal Circuit's discussions of OMI's

alternate claim that Manildra infringed under the Doctrine of Equivalents. Man. App. at 13a, 47a. The Doctrine of Equivalents holds that a product or process which does not literally infringe a patent claim may nevertheless infringe if it performs substantially the same function in substantially the same way to obtain substantially the same result. *Graver Tank & Mfg. Co. v. Linde Co.*, 339 U.S. 605, 608 (1950). While the presence of additional steps may or may not be relevant to a Doctrine of Equivalents analysis, it is not relevant to a claim for literal infringement, because literal infringement examines only whether each step in the claim's process is found in the accused process, whether or not other steps are also present.

Since Manildra's process comprises all of the Patents' process steps, the additional step of blowing the starch though an ineffectual air classifier after the patented process is already complete does not excuse Manildra's literal infringement.

### B. Infrequent Infringement Is Not Excusable.

Manildra's last argument defends the lower courts' decisions to allow the jury to "weigh" the evidence of Manildra's non-literally-infringing batches of LGWS against its admittedly infringing batches. No case law is offered to support that argument because there is none. The Court and the Federal Circuit have refused to permit infringers to carve an "infrequent infringement" exception into the statutory prohibition against all infringement. *The Wood-Paper Patent*, 90 U.S. (23 Wall.) 566, 607 (1874); *Roche Products, Inc. v. Bolar Pharmaceutical Co.*, 733 F.2d 858, 862-63 (Fed. Cir.), *cert. denied*, 469 U.S. 856 (1984).

Manildra also characterizes its own quality-control test results of admittedly infringing batches as "erroneous" and "radically" different from the remainder of the test results. Manildra is, in effect, attempting to justify the jury's verdict by impeaching its own test reports.

However, the jury heard no evidence tending to impeach these reports, because the trial judge denied Manildra's efforts to impeach them by excluding its proffered materials. Appendix at 11a.

The evidence the jury did receive shows that the infringing batches were quite consistent with Manildra's parameters for producing LGWS. Manildra's own quality control standard required its LGWS granules to be at least 95% by weight greater than 12 microns in diameter. Appendix at 7a-8a. The infringing batches, which exceed that standard and also cross the Patents' literal parameter of 99% by weight greater than 12 microns in diameter, are not "radically" different from the remaining batches. In any event, *scienter* is not an element of infringement, and the patent statutes do not excuse any infringement, even if it is mistaken, inadvertent, or unintentional. *The Wood-Paper Patent, supra.*

The lower courts have created an exception for intermittent infringement which Congress did not authorize. The Court should not allow that exception to stand.

## CONCLUSION

The Court should grant OMI's Cross-Petition for Writ of Certiorari to articulate and apply the appropriate heightened burden of proof where the jury and PTO review the same prior art. The Court should also reaffirm its precedent that even slight infringement, whether intentional or not, incurs liability under the patent laws.

Respectfully submitted,

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# APPENDIX

**[E. Johnson Tr. 543]**

A. Yes.

Q. And what is going into the hydrocyclone is 9 to 10 microns, you said?

A. Yes.

Q. So that the hydrocyclones are doing what we call classifying. Is that right?

A. I call it losses.

Q. Well, I'll accept the word. But the truth of the matter is, there are starch particles that are less than 11 or 10 microns in size that are being withdrawn. Is that right?

a. Yes.

Q. And so just to be clear, let's talk about the Manildra process. You have Westfalia centrifuges. Is that right?

A. Yes.

Q. And then you have the output of the Westfalia centrifuges being fed to the Dorr-Oliver Hydrocyclones?

A. Yes.

Q. And then you have the output of the dorr-Oliver hydrocyclones going to a dryer and then to the air classifier?

A. Yes.

Q. And the – again, the output from the

* * *

**[Seaberg Tr. 2788]**

A. I can't say that I knew they were qualified at this precise point, no.

Q. You – your company was not yet qualified –

A. No.

Q. – by Appleton. Is that true?

A. That's correct.

Q. Now, I'd like to show you Exhibit 2607, which I believe is also in evidence. Let me ask you about that, sir. This is an internal NCR document. Do you see in the first – by the way, this is dated May 28, 1971. Do you see that, sir?

A. Yes, I do.

Q. It says in the first sentence, "Mr. Moore called to advise us that Staley started full production of fractionated wheat starch on May 21, 1971." Now, as of May 21, 1971, was your company in production of fractionated wheat starch?

A. We had only made the trials on the one-stage TM-1.

Q. And you'd not yet been qualified based on those submissions. Is that true?

A. No.

Q. So as of May 21, 1971, is it fair to say that

**[Seaberg Tr. 2789]**

Midwest had not yet successfully produced a large granule starch that was acceptable to Appleton?

A. Not successfully, no, that was acceptable. No.

Q. All right, sir. Now, you were shown Exhibit 154 by Mr. Walch, which is a document that should be there in front of you.

A. Somewhere.

Q. And I don't know – let me see if I can describe it for you. It's going to be a letter without a letterhead, the sticker is on the bottom, 154.

A. Ought to be getting close.

Q. If you can't find it, maybe you could look on the screen here because we have a copy of it on –

A. Have it now.

Q. Do you have it there, sir? That was a letter to you on June 7, 1971. Do you see that, sir?

A. Yes.

Q. And it talks about your prices – your price and freight for shipping fractionated wheat starch. Do you see that, sir?

a. Yes, I do.

* * *

**[Seaberg Tr. 2793]**

qualified by Appleton as of this date, had you?

A. No.

Q. And ultimately, you had to, in fact, change your process in order to come up with a suitable product and produce the volumes that Appleton wanted. Isn't that true?

A. That's correct.

Q. This price that – that you're quoting was based upon I think what's referred to as a one-pass system. Is that right?

A. That's right.

Q. And that's where it – what, it just passes – the product passes through one hydrocyclone?

A. One bank of hydrocyclones.

Q. One bank of hydrocyclones?

A. Right.

Q. I see. And you ultimately found that that wouldn't work to make the product?

A. That's right.

Q. And – and when you – and we'll talk about this later, but when you found that you needed to increase it to a two-pass system, you weren't able to sell it at $12 a hundredweight, were you?

* * *

**[Gustafson Tr. 11024]**

product. The product was made after it came out of the hydrocyclones.

Q. What purpose, if you know, did the air classifier have?

A. The air classifier got around the patent.

Q. But it performed no function?

A. No function whatsoever.

Q. How do you know that the air classifier performed no function?

A. We ran test on – with a Coulter Counter of the product before and after the air classifier, and there was no difference.

Q. Who ran the tests?

A. Errol Johnson.

Q. Did you have any conversations with Mr. Johnson about the role the air classifier played in the Manildra process?

A. We had many conversations.

Q. What did Mr. Johnson say to you about --

A. Errol Johnson told me that the saleable product was made by the Dorr-Oliver wet separation, that the air classifier did nothing.

Q. What, if anything, did Mr. Johnson tell you about the product that was coming out of the

**[Gustafson Tr. 11025]**

hydrocyclones before that product went to the air classifier?

A. It was saleable material for large granule wheat starch.

Q. For what application?

A. Carbonless paper.

Q. So Mr. Johnson told you that the product coming out of the hydrocyclone before it went into the air classifier could be used as a stilt material in carbonless copy paper?

A. That's correct. And the Coulter Counter tests proved it.

Q. Did you have any conversation with Mr. Johnson while you were employed at Manildra regarding Henkel's large granule wheat starch product?

A. Yes.

Q. Could you describe those conversations?

A. Well, the conversation was that that was the product that we were attempting to duplicate. They owned the patent on the material. I believe they licensed Midwest Solvents to manufacture a product within the patent. But this was the – what we were shooting for. This was the industry standard.

Q. So it was your effort to try to duplicate the

**[Gustafson Tr. 11026]**

Henkel products?

A. The Henkel product, absolutely.

Q. And did Mr. Johnson talk to you about the Henkel process?

A. We knew that it was a wet separation because Errol had access to the patent.

Q. To whom was Manildra attempting to sell its large granule wheat starch at the time you were there?

A. Appleton Paper, Moore Business Forms, Mead, Nashua, and Boise-Cascade.

Q. Were you involved in attempting to sell to each of those customers?

A. That was my job.

Q. Did you send any samples of large granule wheat starch material to these customers or potential customers of Manildra's?

A. Yes, I did.

Q. While you were attempting to sell the large granule wheat starch product to these customers or would-be customers, did you receive any information that any customer did not want to buy large granule wheat starch from Manildra?

A. Yes.

**[Trial Exhibit 518]**

*[Manildra letterhead]*

September 3, 1981

To confirm our telephone conversation of September 1, 1981, I have the following information to report regarding Manildra M-80 Starch for Application in carbonless paper manufacturing.

PRODUCT SPECIFICATION - (Minimum Particle Size)

95% 12 plus Microns by Volume
75% 16 plus Microns by Volume
50% 19 plus Microns by Volume

Moisture 11.5% Max.
Protein 0.35% Max.
pH 6.4 - 6.9
Fiber .20 Max.
Ash 0.3% Max.
Color White

PRICING

Our current price of .28 per pound F.O.B. Minneapolis, Mn. is guaranteed through December 31, 1981. Terms are net 20 days.

PACKAGING

100 pound bags packed 24 to a pallet. Pallets are wood 40" x 48", four-way type, and are shrink wrapped. The pallets charge is $7.35 each.

SHIPMENT

Shipments from Minneapolis, MN. will be prepaid and added to your invoice. Normal truckload shipments are 40,800 pounds, net, or 17 pallets.

AVAILABILITY

Product is available for immediate shipment from our Minneapolis, Mn. location.

Please do not hesitate to contact me should you have further questions regarding the above information.

Sincerely,

*[Signature]*

Frank Gustafson

FG/dh

**[OMI's Revised Memorandum of Points and Authorities in Support of Renewed Motion for Judgment as a Mater of Law, filed in the District court, at 3]**

I. INVALIDITY WAS NOT PROVED WITH CLEAR AND CONVINCING EVIDENCE

The Court must decide, as a matter of law, whether the claims in issue are invalid, notwithstanding the jury's verdict. *Graham v. John Deere*, 383 U.S. 1 (1966). The scope of a claim is a question of law. *George v. Honda Motor Co., Ltd.*, 802 F.2d 432 (Fed. Cir. 1986). The relevant statutes are 35 U.S.C. §§ 102, 103.

The United States Patent and Trademark office granted and issued the '725 and '718 patents over the prior art advanced by Manildra. In essence, the jury in this case overruled the Patent Office but based its verdict on the very same materials the Patent Office used to verify that the inventions were neither obvious nor anticipated.

**[Reply Brief for Defendant/Appellant Ogilvie Mills, Inc., filed in the Federal Circuit, at 13]**

d. The Fontein and NCR Patents.

The Fontein and NCR patents were disclosed to the Patent and Trademark Office, as was Yamazaki's work. Therefore, Manildra's burden of showing that they render the subject claims obvious is "especially difficult." *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464 (Fed. Cir. 1990).

**[Petition for Rehearing and Suggestion for Rehearing In Banc of Defendant/Appellant Ogilvie Mills, Inc., filed in the Federal Circuit, at 2-3]**

The PTO reviewed and issued the Patents over the three prior art references asserted by Manildra – Yamazaki's work, the Fontein patent, and the NCR patent. P1053/5-7,113-7. The accused infringer's burden of demonstrating with clear and convincing evidence that the PTO was wrong is "especially difficult" when the PTO has reviewed the prior art he relies on. *Hewlett-Packard Co. v. Bausch & Lomb, Inc.*, 909 F.2d 1464, 1467, 15 USPQ 2d 1525, 1527 (Fed. Cir. 1990); *American Hoist &*

*Derrick Co. v. Sowa & Sons, Inc.*, 725 F.2d 1350, 1359, 220 U.S.P.Q. 763, 770 (Fed. Cir. 1984), *cert. denied*, 469 U.S. 821 (1984) (attacker citing only prior art reviewed by PTO has the "added burden of overcoming the deference that is due to a qualified government agency"); *Hughes Aircraft Co. v. United States*, 717 F.2d 1351, 1359, 219 USPQ 473, 478 (Fed. Cir. 1983).

In fact, the challenger cannot discharge this burden even with additional prior art or insights not considered by the PTO, unless the additional information is "*more pertinent*" than that considered during prosecution. *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 1553, 220 USPQ 303, 313 (Fed. Cir. 1983) (emphasis in original) (courts should resist "the insidious attraction of the siren hindsight" when reviewing close questions of prior art), *cert. denied*, 469 U.S. 851 (1984); *Perkin-Elmer Corp. v. Computervision Corp.*, 732 F.2d 888, 894, 221 USPQ 669, 674 (Fed. Cir.), *cert. denied*, 469 U.S. 857 (1984). The only additional item cited by Manildra and the Opinion but not seen by the patent examiners is a second article by Dr. Yamazaki, which provides, as Manildra acknowledged, the same essential information about the same air-classification experiment discussed in the Yamazaki article the PTO reviewed. F6707*. Moreover, even were the second article considered substantially different from the first, it relates only to '725 Patent claims 24-27.

**[Brenner Tr. 14650]**

527. Thank you

MR. WEST: Ready?

MR. GREGORY: Yes.

Q. Okay. At Page 527, Mr. Johnson was talking about the – the production tests at Manildra, and beginning at Line 11, the question, "So you produced a computer printout for every one of those things, every pallet you tested?" Answer: Thousands of them." "Question: Thousand of them. And do you maintain those?" "Answer: Yes." "Question: Do you use a blender or an ultrasonic device to treat the starch particles before you put them in the particle size analyzer?" "Answer: No."

Now, were you aware of the testimony, Mr. Brenner?

MR. GREGORY: Objection, Your Honor, this is impeachment of their own evidence that they have put before this jury and it's – we object.

THE COURT: Objection sustained. Disregard that last question and that statement.

MR. WEST: May we approach, Your Honor?